



Town Council Agenda Report

SUBJECT: Resolution

TITLE OF AGENDA ITEM:

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE TOWN ADMINISTRATOR AND BUDGET AND FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH GREAT WEST LIFE AND ANNUITY INSURANCE COMPANY FOR RECORD KEEPING AND COMMUNICATION SERVICES FOR THE TOWN'S §401(a) MONEY PURCHASE DEFINED CONTRIBUTION PLAN AND §457 DEFERRED COMPENSATION PLAN

REPORT IN BRIEF:

The current record keeper for the money purchase plan has resigned. We have chosen Great West Life as the record keeper for the money purchase plan. We may also use them for the deferred compensation plan. The Town used a consultant (Towers Perrin) to help us with the request for proposal and the selection, but finished the process ourselves when Towers Perrin resigned the account. The company was selected based upon the recommendation of the investment manager (MAS/Morgan Stanley), and their proposal compared to the other 3 we received. They were price competitive and were the only firm to offer everything we needed.

PREVIOUS ACTIONS:

not applicable

CONCURRENCES:

not applicable

FISCAL IMPACT:

Is appropriation required?	<u>yes</u>
Funding appropriated?	<u>yes</u>
Account Name:	<u>retirement (various)</u>
Additional Comments:	<u>not applicable</u>

RECOMMENDATION(S):

Motion to approve the resolution.

Attachment(s):

Resolution
Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE TOWN ADMINISTRATOR AND BUDGET AND FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH GREAT WEST LIFE AND ANNUITY INSURANCE COMPANY FOR RECORD KEEPING AND COMMUNICATION SERVICES FOR THE TOWN'S §401(a) MONEY PURCHASE DEFINED CONTRIBUTION PLAN AND §457 DEFERRED COMPENSATION PLAN.

WHEREAS, the Town provides a defined contribution pension plan for its covered employees and a §457 Deferred Compensation plan for all employees; and

WHEREAS, as part of those benefits the Town appoints a record keeper to account for participant investments and other related services; and

WHEREAS, the current record keeper of the §401(a) money purchase plan has resigned and given the Town notice of its intent to discontinue this service in the immediate future; and

WHEREAS, the Town has solicited proposals through its former benefits consultant and has completed its due diligence on the selection of the record keeper ;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council hereby authorizes the Town Administrator and Budget and Finance Director to execute the attached agreement, together with any other necessary documents, with Great West Life and Annuity Insurance Company.

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 1999

MAYOR/COUNCILMEMBER

Attest:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 1999

AGREEMENT FOR RECORD KEEPING AND COMMUNICATION SERVICES

§457 DEFERRED COMPENSATION and §401(a) PLANS

GROUP #s 98491-01 and 98491-02

This Agreement is entered into by and between Great-West Life & Annuity Insurance Company (hereinafter referred to as "GWL&A") and the Town of Davie, FL, (hereinafter referred to as "Plan Sponsor") with respect to the record keeping and communication services to be provided to the §457 Deferred Compensation and §401(a) Plans (the "Plans").

WHEREAS, the Plan Sponsor has established or adopted the Plans for its eligible employees in accordance with Sections 457 and 401(a) respectively of the Internal Revenue Code ("Code") and all applicable Federal Regulations, state and/or municipal statutes for the purpose of providing retirement plan benefits to employees. The Plan Sponsor (or its designee) serves as the Plan Administrator and named fiduciary of the Plans, and

WHEREAS, Plan Sponsor will place all §457 Plan assets into a trust, custodial account or annuity contract meeting the requirements of Section 457(g) of the Code and for the duration of this Agreement, and

WHEREAS, Plan Sponsor will place all §401(a) Plan assets into a trust or annuity contract meeting the requirements of §401(a) of the Code for the duration of this Agreement, and

WHEREAS, GWL&A has agreed to act in a non-fiduciary capacity as a directed, non-discretionary record keeper and service provider and GWL&A will perform the services outlined in this Agreement as directed by Plan Sponsor in compliance with all applicable federal, state and local laws and regulations, and

WHEREAS, GWL&A will be utilizing its wholly owned subsidiaries, Benefits Communication Corporation and BenefitsCorp Equities, Inc. (herein referred to as "BCC/BCE") for services provided in this Agreement.

NOW THEREFORE, the parties hereby agree as follows:

I. GWL&A Record keeping Responsibilities

A. Initial Transition

GWL&A will facilitate the successful and timely transfer of participant and related data from the prior record keeper(s) to the GWL&A record keeping system. Such data includes, but is not limited to, indicative data (name, address, beneficiary designation, etc.). GWL&A will provide detailed instructions in advance to the prior record keeper(s) for the format, compilation, timing, and forwarding of required data. Participant changes to indicative data that occur between the date that data is transferred to GWL&A and the Agreement effective date will be communicated to GWL&A by the prior record keeper(s) and updated accordingly on the GWL&A system.

GWL&A will coordinate the transition of participant contribution processing. GWL&A will process participant contributions effective as of the November 1, 1999 payroll. The prior record keeper(s) will process participant contributions received through October 31, 1999, and issue their last quarterly statements to participants accordingly.

GWL&A will coordinate with the prior record keeper(s) the transfer of data applicable to plan participants who are presently in payout status and who are receiving any type of *non-annuity* systematic withdrawal or periodic payments. Such data includes, *but is not limited to*, indicative data (payee name, address, etc.), type of systematic or periodic withdrawal payout, payment amount, payment frequency, issue dates, etc. GWL&A will provide detailed instructions in advance to the prior record keepers for the format, compilation, timing, and forwarding of the required data.

B. Participant Account Information

1. A Participant account will consist of the following participant specific indicative data when provided to GWL&A:
 - a. Name
 - b. Gender
 - c. Social Security Number
 - d. Mailing Address
 - e. Telephone Number
 - f. Date of Birth
2. Current investment allocation for each investment option authorized by the Plan Sponsor.
3. History of investment allocations by the participant since enrollment in the Plan administered by GWL&A.
4. Current account balances of each participant in each investment option authorized by the Plan Sponsor.
5. Record of each transaction made to each investment option authorized by the Plan Sponsor since enrollment in the Plan record kept by GWL&A.

C. Investment Options

1. Authorized Investment Option Array

The Plan Sponsor has authorized the following investment options, consisting initially of the following unallocated investment options. (The term "unallocated" describes investment option record keeping whereby investment providers will not keep participant records.) Should any of these investment options be terminated in the future, Plan Sponsor agrees to replace the terminated option(s) with an investment option from GWL&A's alliance of mutual funds. Forty-five (45) days advance written notice of the intent by either party to add or terminate an investment option is required. GWL&A will cooperate with the Plan Sponsor to terminate or add new investment options and GWL&A will assist the Plan Sponsor in appropriately notifying participants of any changes. Plan Sponsor agrees to replace investment options only once per year.

Investment Option Name

MAS Mid Cap Growth Portfolio

MAS Value Portfolio

MAS Balanced Portfolio

Investment Option Name

MAS Fixed Income II Portfolio

MAS Limited Duration Portfolio

MAS Cash Reserves Portfolio

2. Designated Investment Option

- (1) Plan Sponsor initially designates the MAS Cash Reserves Portfolio investment option (herein after referred to as the "Designated Investment Option") for amounts received by GWL&A without complete allocation instructions. This designation shall remain in effect until a new investment option has been designated by Plan Sponsor. Such amounts will be deposited and held in the Designated Investment Option until complete allocation information has been

received by GWL&A in good order at its home office in Englewood, Colorado. Once complete allocation instructions have been received by GWL&A, GWL&A will update the participant allocation instruction on the system for future contributions.

D. Valuation of Participant Account Balances

Participant Account Balances held with respect to the Plan will be accounted for as follows:

1. Amounts which are not guaranteed as to principal or interest will be accounted for at their fair market value as of the close of each Business Day. The term "Business Day" is defined as any day on which the New York Stock Exchange is open.
2. Amounts receiving a guaranteed interest rate and a guarantee of principal will be accounted for at book value. Interest will be accounted for on a daily effective method.

E. Transaction Timing Related to Contributions and Transfers

All parties agree that GWL&A is required, through the Great-West family of companies' broker/dealer, BenefitsCorp Equities, Inc. to effect purchases and sales of securities at the direction of Plan participants. GWL&A is thus authorized to receive, transmit and forward instructions for the purchase, sale, exchange or transfer of shares on behalf of the Plan, and to execute any necessary forms with mutual fund companies.

1. Contributions

Contributions sent directly on-line to GWL&A's computer system by 1:00 a.m. Eastern Time will be initiated for allocation the next Business Day. The actual effective date of the deposit will be dependent upon the specific rules and capabilities of the investment provider selected and if GWL&A receives complete and accurate records and the funds via Automated Clearinghouse (ACH) that Business Day.

2. Transfers

Participant initiated transfer requests among the investment options which are received by TPA prior to 4:00 p.m. Eastern Time will be initiated and effective the same Business Day, if all of the investment option providers associated with the Plan meet GWL&A's requirements for "late day" trading. "Late day" trading means that the investment option provider agrees to accept transactions at that Business Day's price that are initiated prior to 4:00 p.m. Eastern Time but are received by the investment option provider after 4:00 p.m. Eastern Time.

F. Automated Voice Response System

Participants will have access to a toll free, automated voice response system which will provide the following information and services to the participant from a touch tone telephone:

1. Account balance, in total and by fund;
2. Current interest rates;
3. Unit values and/or share prices;
4. Daily changes in share prices/unit values;
5. Current deferral election (allocation of contributions);
6. Ability to change allocation of future deferrals;

7. Ability to transfer between fund investment options;
8. Ability to change the Personal Identification Number (PIN);
9. Ability to access transaction history; and
10. Ability to activate rebalancer and dollar cost averaging options.

Inquiry services available from the automated voice response system will utilize share prices, unit values and account balances, which are as of the last calculated unit value/share price.

The automated voice response system is available 24 hours a day, except for system maintenance that is generally performed on Sunday mornings.

G. Internet Site

Participants can access the Internet to obtain the following information from the GWL&A web site:

1. Account balance, in total and by fund;
2. Current interest rates;
3. Unit values and/or share prices;
4. Daily changes in share prices/unit values;
5. Current deferral election (allocation of contributions);
6. Ability to change allocation of future deferrals;
7. Ability to transfer between fund investment options;
8. Ability to access transaction history; and
9. Ability to activate rebalancer and dollar cost averaging options.

H. Client Service

Client service representatives will be available to answer participant questions between the hours of 10:00 a.m. Eastern Time and 7:00 p.m. Eastern Time each Business Day, except the Friday after Thanksgiving. On the Friday after Thanksgiving, transactions submitted other than by the automated voice response unit, internet or computer link will not be processed until the next Business Day.

I. Reporting

1. Participant Statements

Each participant will receive a statement of his/her account summarizing all activity for the previous calendar quarter, including:

- a. Beginning and ending balances.
- b. All transactions processed during the quarter, including contributions.
- c. Interest or change in value.
- d. Fees/Charges (if applicable).

- e. Transfers and withdrawals for each of the investment options for the quarter.

Such statements will be mailed within twenty (20) Business Days of the end of each calendar quarter, except that the first quarterly statement may arrive later while records are being established. Participant statements are to be mailed to each participant's last known home address as provided by Plan Sponsor and/or Prior Record keeper. Additionally, GWL&A will mail to each participant a confirmation of every completed change. Participants will also have access to their account activity via a voice response unit, KeyTalk®, and the Internet. Should Great-West be notified of any errors on a participant's statement within ninety (90) days after the statement date, Great-West will retroactively correct such error(s) made within said statement period. However, should Great-West not be notified of such errors within ninety (90) days of the statement date, the error(s) will be corrected, but not made effective retroactively.

2. Employer Reporting

a. Employer Plan Summary

GWL&A will provide to the Plan Sponsor, an Employer Plan Summary Report summarizing plan level assets and participant account balances no later than thirty (30) Business Days after each calendar quarter end. However, the first statement may be delayed beyond this thirty (30) Business Day period while records are being set up. The following plan information is outlined in the report:

- (1) Account summary—a summarization of plan transactions and assets.
- (2) Summarization of contributions processed.
- (3) Withdrawals.
- (4) Annuities purchased.
- (5) Periodic payments.
- (6) Investment option grand totals—summarizes both dollars and units/shares and plan activity.
- (7) Investment option totals by money type—summarizes both dollars and units/shares and money type activity.
- (8) Participant summary—report of account activity for each participant.

J. Regulatory Updates

GWL&A agrees to periodically provide information concerning federal legislative activity of which GWL&A is aware which may affect the Plan and related funding contracts. Such information, however, is not intended as legal or tax advice regarding the legal sufficiency of the Plan.

K. Benefits, Tax Withholding and Reporting

Upon receipt of complete payment instructions from the Plan Sponsor, GWL&A will make benefit payments to participants and beneficiaries within five (5) Business Days. The benefit payments with respect to each participant account will be made, tax withheld and the tax reporting reported as follows:

- 1. A record will be maintained of any distribution from the Plan made with respect to the participant and the reason for the distribution.

2. Appropriate federal and state income tax withholding and tax reporting will be performed and sent to the participant or beneficiary for each benefit payment from the plan with respect to the participant or beneficiary.
3. At the time of the benefit payment, GWL&A will forward the income tax withholding to the Internal Revenue Service and other appropriate state or local entities.
4. GWL&A will provide information to the Internal Revenue Service annually showing an accounting of all GWL&A participants who have received distributions during the previous calendar year.

L. Qualified Domestic Relations Orders (QDROs) or Conforming Equities Distribution Orders (CEDOs)

GWL&A will maintain a record of the funds invested on behalf of the participant including any sub-accounts established due to a Qualified Domestic Relations Order (QDRO) in respect to §401(a) or a Conforming Equities Distribution Order (CEDO) and in respect to §457 from the effective date of the Agreement until the Participant's account balance is distributed under this Agreement as follows:

1. Current investment allocation for each investment account authorized by Plan Sponsor;
2. A history of prior investment allocations by the participant and alternate payee, and the time periods they were effective from the date GWL&A begins record keeping for the Plan's investment options;
3. Current account balances held on behalf of the participant and alternate payee in each sub-account authorized by Plan Sponsor, which is a result of prior deferrals;
4. An accounting of each transaction made to each investment sub-account authorized by Plan Sponsor; and
5. All records maintained shall be accounted for on a daily basis with gains, losses and transactions posted on a daily basis.

M. Vesting

GWL&A will administer vesting schedules according to the provisions of the Plan Sponsor's Plan Document and will maintain the following vesting information and services for each participant:

1. Maintain the vesting percentage, process withdrawals according to the vested/non-vested amounts and documents these amounts on participant quarterly statements;
2. Utilize the vested amount when calculating a loan amount and when performing loan modeling services.

GWL&A will only track vesting contingent upon the following conditions:

- a. Plan Sponsor provides a current Plan Document;
- b. The vesting schedule described in the Plan Document is a standard industry schedule agreeable to GWL&A;
- c. Plan Sponsor agrees to provide the necessary information directly on-line to GWL&A's system required to track vesting such as the years of service completed for each participant up to the effective date of this Agreement. Plan Sponsor agrees that GWL&A shall not be required to provide vesting services where incomplete or inaccurate information has been provided to GWL&A.

N. Participant Loans

GWL&A will administer loans in respect of the §401(a) Plan according to the Plan Sponsor's Plan Document provisions, the GWL&A loan application form and GWL&A administrative procedures as follows:

1. Amount of loan and loan term - The minimum and maximum amount that may be borrowed from the plan, as well as the term of the loan, are governed by the Internal Revenue Code (IRC) and the Department of Labor. GWL&A will utilize the minimum and maximum loan amounts set forth in the Plan Document; however the loan minimum may not be less than \$1,000 for Plan's subject to ERISA and \$2,500 for Non-ERISA Plans.
2. Interest Rate Determination - For loans originating in any given month, interest due will be based on the prime rate published in the Wall Street Journal on the first business day of each month, plus 2%. Once the loan has been issued by GWL&A, such rate is fixed for the life of the loan.
3. Repayment/Prepayment - Loans shall be paid or prepaid by payroll deduction, or in some instances by personal check, according to the administrative procedures of GWL&A.
4. Default - If any payment is not made on the date it is due and payment is not received by the last day of the calendar quarter following the calendar quarter in which such monthly payments is due, then pursuant to IRC rules and regulations, the loan will be in default and the entire outstanding loan balance, including accrued but unpaid interest, shall be deemed distributed and the tax due will be reported to the participant.
5. Source and Application of Funds - Loan disbursements will be made on a pro-rated basis from each of the investment options. Only vested amounts from the sources specified by the Plan Document can be borrowed by participants.

Participants may obtain the loan maximum amount and a promissory note from the GWL&A automated voice response system and the internet as well as assess the loan modeling option as described in Sections I.F and I.G. respectively.

II. BCC/BCE Communication Responsibilities

A. Special Representations

GWL&A hereby represents that BCC/BCE will be responsible for performing the following communication services:

1. Representative(s) assigned to perform services under this Agreement will be properly licensed, trained, qualified and supervised with respect to the conduct of their business activities.
2. Representative(s) will provide information in a manner consistent with applicable insurance and securities law. However, information supplied to participants is not to be considered as "investment and/or tax advice."
3. Representative(s) will only provide information applicable to this Plan, and representative(s) is/are prohibited from providing services or products not specifically approved by the Plan Sponsor.
4. No representative may discriminate with respect to investment options provided under the Plan. Representative(s) must give equal and fair representations when describing the various investment options available under the Plan.
5. Compensation to representative(s) will not vary based upon investment options

selected by the participants.

B. Enrollment Forms, Communication Material and Presentations

1. BCC/BCE will be responsible for supplying all forms necessary for the operation of the plan. All such material will remain the sole property of GWL&A.
2. The above noted forms and materials will include, but not be limited to:
 - a. Enrollment forms
 - b. Distribution forms
 - c. Asset allocation information
 - d. Quarterly newsletters
 - e. Summary of Plan details
3. Plan Sponsor will have the ability to review any communication material, presentation material and general topics to be presented and it is agreed that approval of the Plan Sponsor will not be unreasonably withheld.

C. Group Presentations

Representative(s) will conduct group meetings for two (2) days initially and one (1) day per quarter thereafter at which some or all of the following will be communicated:

1. Summary of the IRS rules and regulations applicable under the Plan.
2. Summary of the key provisions of the Plan.
3. Summary of investment options.
4. Discussion of services including automated voice response system inquiry, retirement planning, and investment seminars.
5. Instructions on how to sign up for the Plan or request an individual counseling session.

D. Individual Counseling Sessions

Upon request, representative(s) will conduct prescheduled individual counseling sessions utilizing a participant paycheck analysis, an asset allocation model and retirement counseling services as approved by the Plan Sponsor.

E. Seminars

Representative(s) will provide participant seminars regarding financial investing and retirement options.

III. Miscellaneous Responsibilities of GWL&A

GWL&A specifically accepts and agrees to each of the following requirements:

- A. GWL&A may assign any interest in this Agreement to an affiliate. GWL&A may also subcontract any services of this Agreement to an affiliate.
- B. All information obtained by GWL&A from any individual employees, whether the employee becomes a participant or not, will be kept in absolute confidence and will not be

utilized by GWL&A or any of its officers, directors, agents or employees in connection with any other matter without prior written consent of the Plan Sponsor. GWL&A may disclose information as required by law without prior written consent of the Plan Sponsor. Plan Sponsor agrees GWL&A may use information regarding the Plan in responses to Requests for Proposals.

- C. Upon relinquishing responsibilities at the termination of the Agreement, GWL&A will provide, if requested, investment balances for all participants to assure appropriate account balances within thirty (30) Business Days of termination of the Agreement GWL&A's standard format. GWL&A will be responsible for statements up to and including the statement for the last quarter of the Agreement.
- D. All books, records, ledgers and journals relating to the Plan will be available, with a 72-hour advance notice, for inspection and audit by the Plan Sponsor or its designee at any time during normal working hours. Records requested will be provided by GWL&A on electronic media in a standard GWL&A format within thirty (30) days of receipt of the request.

IV. Plan Sponsor Responsibilities

- A. Plan Sponsor hereby appoints GWL&A as the exclusive provider of non-discretionary record keeping and communication services for the Plan for the term of this Agreement.
- B. Plan Sponsor agrees to electronically remit on-line (directly to GWL&A's system) payroll deposits and the accounting of deposits among Participants. Funds will be transmitted via ACH. Plan Sponsor agrees that if the Plan Sponsor changes the reporting format for contribution reporting, GWL&A will be given two (2) weeks advance notice to test the new format before monies are remitted on the new file format. If Plan Sponsor does not provide GWL&A with two (2) weeks advance notice of the new reporting format, then GWL&A will have two (2) business days to process the monies sent in with the new file format and the Deposits will be made effective two (2) business days from receipt of such monies.
- C. Plan Sponsor authorizes GWL&A to contact any employee at (his/her) home or business address to obtain information needed to perform its services in this Agreement.
- D. Plan Sponsor agrees to provide GWL&A with all information necessary for GWL&A to perform its duties under this Agreement.
- E. Plan Sponsor agrees to use its best efforts, including, if necessary, the termination of a participating investment provider(s), to secure and maintain the cooperation of the participating investment provider(s) in providing the timely and accurate transmittal of data, including providing daily interest rates and unit/share values, required by GWL&A pursuant to its responsibilities to the Plan.
- F. Should Plan Sponsor choose a custodial or trust account, Plan Sponsor agrees to require custodian or trustee to provide GWL&A all information in the possession of custodian or trustee which is necessary for the performance of GWL&A's duties under this Agreement.
- G. Plan Sponsor agrees to facilitate the scheduling of group and individual presentations and to provide facilities at which both the Plan Sponsor and GWL&A mutually agree that satisfactory attendance can be expected.
- H. Plan Sponsor will be responsible for making final decisions approving early withdrawals of amounts due to "unforeseeable emergency" as that term is defined in the Section 457 Plan, the Code, and all IRS Regulations issued pursuant to the Code.
- I. Plan Sponsor agrees to provide GWL&A with the following information prior to establishing an alternate payee account:

1. Copy of court approved Qualified Domestic Relations Order or Conforming Equities Distribution Orders.
 2. Letter of approval from Plan Sponsor including specific instructions on the details of the transfer.
 3. Application for alternate payee.
 4. Verification that the alternate payee can or cannot transfer among investment options.
- J. Plan Sponsor shall provide the necessary information to GWL&A required to track vesting services.

V. Hold Harmless and Indemnification

GWL&A agrees to hold harmless and indemnify the Plan Sponsor, their affiliates and their officers, directors, employees or authorized representatives against any and all expenses, costs, reasonable attorneys fees, settlements, fines, judgments, damages, penalties or court awards actually incurred which are the result of negligent or fraudulent acts or omissions of GWL&A, its affiliates and their officers, directors, employees or authorized representatives.

Plan Sponsor agrees to hold harmless and indemnify GWL&A, their affiliates and their officers, directors, employees and authorized representatives against any and all expenses, costs, reasonable attorney fees, settlements, fines, judgments, damages, penalties or court awards actually incurred which are the result of negligent or fraudulent acts or omissions of the Plan Sponsor, its affiliates and their officers, directors, employees or authorized representatives.

Plan Sponsor acknowledge that GWL&A, its affiliates and their directors, officers, employees, and authorized representatives are not responsible for investment performance of any authorized investment options under the program.

VI. Notification

All notices, requests, demands or other communications provided for or required by this Agreement (or any instrument or document delivered pursuant to this Agreement) will be in writing.

Notices to GWL&A will be addressed as follows:

GWL&A Executive Vice President, Financial Services

8515 East Orchard Road

Englewood CO 80111

Notices to Plan Sponsor will be addressed as follows:

Christopher Wallace

Budget and Finance Director

6591 Orange Drive

Davie, FL 33314

Each party may designate a different address by sending written notice to the other parties, to be effective within ten (10) days of the date of the notice.

VII. Agreement Term

The term of the Agreement shall be for a five (5) year period from November 1, 1999 through October 31, 2004.

VIII. Agreement Termination

Subject to GWL&A's right to cure, this Agreement may be terminated by the Plan Sponsor for cause at any time during the Agreement term upon ninety (90) days written notice to GWL&A. Any such termination will be effected by delivery of a notice of termination specifying the fault of GWL&A and date upon which such termination becomes effective.

For purposes of this section, "cause" shall be defined as illegal or fraudulent acts, or failure to comply with a material term(s) of the Agreement. In the event that GWL&A cures the problem identified in such notice within the ninety (90) days notice period, this Agreement shall remain in full effect.

After the initial five (5) year Agreement term, starting November 1, 2004, this Agreement may be terminated at any time by any party with or without cause upon ninety (90) days written notice to the other party. Unless this Agreement is terminated by either party within ninety (90) days written notice to the other party before the expiration of the Agreement, this Agreement will remain in effect on a month to month basis until such 90 day notice is provided by either party.

Any assets held by GWL&A shall be paid in accordance to the applicable product contract in effect.

In the event that the Plan Sponsor elects not to renew this Agreement at the end of its term or extension, or otherwise terminates this Agreement for cause or convenience, GWL&A shall cooperate with the Plan Sponsor to facilitate an orderly transfer of the administrative responsibilities and records to the Plan Sponsor, or to the new Third Party Administrator (referred to as "TPA"). GWL&A will provide all necessary documents and computer files to the new TPA within sixty (60) Business Days of termination of the Agreement in GWL&A's standard format. GWL&A will be responsible for statements up to and including the statement for the last quarter of the Agreement.

IX. Fees

A. The record keeping and communication fee applicable under this Agreement is dependent upon whether GWL&A provides services for a combination of the Plan Sponsor's §401(a) Plan and §457 Plan or the Plan Sponsor's §401(a) Plan only as follows:

1. Combination §401(a) Plan and §457 Plan

GWL&A shall assess a record keeping and communication fee of \$12.00 per participant per annum to participant account balances in respect of the §457 Plan on a quarterly basis of \$3.00 per quarter.

GWL&A shall bill the Plan Sponsor for a record keeping and communication fee of \$60.00 per participant per annum under the §401(a) Plan on a quarterly basis of \$15.00 per quarter. Any 12b-1 fees and reallowances received by GWL&A in respect of the investment options utilized under the §401(a) Plan will be paid to the Plan Sponsor annually within ninety (90) days after each calendar year end;

or

2. §401(a) Plan Only

GWL&A shall bill the Plan Sponsor for a record keeping and communication fee of \$81.00 per participant per annum under the §401(a) Plan on a quarterly basis of \$20.25 per quarter. Any 12b-1 fees and reallowances received by GWL&A in

respect of the investment options utilized under the §401(a) Plan will be paid to the Plan Sponsor annually within ninety (90) days after each calendar year end.

- B. A \$50 loan origination fee per loan per participant shall be deducted from the amount of the loan. There shall also be a \$25 maintenance fee per annum per participant with an outstanding loan. Such fees shall be deducted from the participants' accounts.
- C. If Plan Sponsor requests that more than twenty (20) unallocated investment accounts be opened, GWL&A reserves the right to modify the record keeping fees referenced in this Section. If the Plan Sponsor requests an investment option that is materially different than the types of investment options currently in use, GWL&A reserves the right to modify the record keeping and communication fees and services quoted in this Agreement.
- D. If Plan Sponsor selects a trustee or custodian that requires the procedures or services in this Agreement to change, GWL&A reserves the right to adjust fees in this Section.

X. Modification, Waiver and Consent

No modification or waiver of any provision of this Agreement and no consent by any party to any deviation from its terms by any other party will be effective unless such modification, waiver or consent is in writing and signed by all parties. The modification, waiver or consent will be effective only for the period, on the conditions and for the specific instance and purposes specified in such writing. The waiver of any breach of any term or condition in this Agreement will not be deemed a waiver of any prior or subsequent breach.

XI. Attorney's Fees

In the event of any litigation between the parties hereto brought or filed to enforce the terms of this Agreement and/or brought or filed as a result of an alleged breach of this Agreement, the prevailing party shall be entitled to recover all costs and fees including reasonable attorney's fees incurred in any litigation and appeal.

XII. Entire Agreement

The entire agreement for record keeping and communication services between the parties consists of this Agreement, and this Agreement supersedes any prior agreement or understanding among the parties hereto.

XIII. Governing Law and Venue

This Agreement will be governed and construed in accordance with the laws of the State of Florida. Venue for enforcement of this Agreement or for any action brought as the result of an alleged breach hereof shall be in the courts of Broward County, Florida.

XIV. Severability

The provisions of this Agreement are severable, and if for any reason, a clause, sentence or paragraph of this Agreement will be determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement which can be given effect without the invalid provision.

XV. Authorized Persons

The Plan Sponsor and any duly appointed investment advisor(s) will furnish a list to GWL&A (and from time to time whenever there are changes therein) of the individuals authorized to transmit instructions to GWL&A concerning the Plan and/or assets in the account, and written direction regarding the form of such instructions.

XVI. Independent Contractor

GWL&A will function as an independent contractor for the purposes of this Agreement, and will not be considered an employee for any purpose. GWL&A will assume sole responsibility for any debts or liabilities that may be incurred by GWL&A in fulfilling the terms of this Agreement, and will be solely responsible for the payment of all federal, state and local taxes which may accrue because of this Agreement. Nothing in this Agreement will be interpreted as authorizing GWL&A or its agents and/or employees to act as an agent or representative for or on behalf of the State or local authority, or to incur any obligation of any kind on the behalf of the State or local authority. GWL&A agrees that no health/hospitalization benefits, worker's compensation and/or similar benefits available to the State or local authority employees, will inure to the benefit of GWL&A, or GWL&A agents and/or employees as a result of this Agreement.

XVII. Legal Advice

Nothing in this Agreement is intended to convey legal or tax advice from GWL&A to the Plan Sponsor or any other party. Despite the fact that GWL&A may have knowledge about provisions of the underlying Plan document utilized by the Plan Sponsor, GWL&A makes no representations or assurances to the Plan Sponsor or any other party regarding the legal sufficiency of the Plan.

XVIII. Signatures

By signing this Agreement, in duplicate, the parties certify that they have read and understood it, that they agree to be bound by the terms of the Agreement, that they have the authority to sign it, and that they have received a signed and dated copy of the Agreement. This Agreement is not binding on either party until approved by both parties.

PLAN SPONSOR:

By: _____ Date _____

Title: _____

Attested to:

By: _____ Date _____

Title: _____

GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY:

By its Assistant Vice President, Al Cunningham

Date _____